



## A life on demand: the request for subscription services is growing in Italy and Europe

- 31% of Europeans have increased the number of digital subscriptions they have subscribed since the start of the pandemic,
- Over a third of Italians (34%) say they have more season tickets than in the pre Covid 19 period
- 42% of Italians have between 2 and 3 season tickets; 33% of the 25-34-year-old segment subscribed at least 4

**Milan, May 27, 2021** - A new research by [The mobile bank N26](#) has investigated how much the subscription services scenario has changed in Italy and Europe during 2020, also following the restrictive measures linked to the pandemic.

### THE EUROPEAN FRAMEWORK

Research results show that **31% of Europeans<sup>1</sup> have more digital subscriptions than at the start of the pandemic**, a quarter (24%) currently have more than four. Despite a poor economic situation, European consumers have committed, on average, to subscribe to subscriptions worth 39 euros per month, or 465 euros per year.

**Half (50%) of Europeans** have subscribed to an **entertainment service**, which is by far the most popular choice followed by **music** (28%) and then **fashion, beauty and shopping** (19%).

The growth of the *on demand philosophy* is particularly evident among **younger consumers**. 37% in the 18-24 age group increased the number of subscriptions, while in the 25-34 age group 43% and only 9% of the over 65 did so.

Consistent with this data, it is not surprising that **younger people spend more** on subscription services. In the **18-24 age segment, on average, €48 per month** (€ 573 per year), while those **over 65 spend less than half, €20 per month** (€ 240 per year).

**Andrea Isola, General Manager of N26 for Italy and Southeast Europe, comments:** *"Our research clearly shows a generation gap when it comes to on-demand services. This gap is not entirely surprising when you consider that digital natives have grown up with this model and are probably more confident in applying it to different aspects of daily life. As this generation matures, we are likely to see a growing demand for subscription services in general. At the moment, entertainment is the category where consumer preferences are concentrated, but I expect to see strong growth in sectors such as health and financial services."*

The research also sheds light on the characteristics that will guide consumers in choosing the digital subscription model in the future. Almost a third (32%) say that the most

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<sup>1</sup> The survey was carried out in April 2021 by N26 in collaboration with Sapio Research through interviews with a sample of 6,075 consumers in France, Germany, Spain, Italy, Ireland and the Netherlands.

important advantage is the ability to **cancel their subscription at any time without penalties, for 29% the opportunity to access what they want anytime and anywhere.**

In addition, the demand for digital subscriptions to so-called **essential services** is growing. 16% of Europeans intend to take out a subscription with a delivery service or with services related to health and drug supplies, one in ten (10%) with a bank. In this last case, the choice by consumers seems to be subordinated to the fact that users receive additional services from their bank. In the case of subscribing to banking services, 31% would like a guaranteed 10% refund on purchases as part of the offer and one fifth (21%) would like to add car insurance to the package.

## **FOCUS ON ITALY**

In Italy, the research was conducted on a sample of over 1,000 individuals and outlined specific traits but on the whole consistent with the prevailing trends at European level.

- **Over a third of Italians** (34%) declare that they have **more subscriptions than in the pre Covid 19 period**, this percentage rises to 43% in the age group between 25 and 34 years.
- **42% hold between 2 and 3 subscriptions**; 33% of the age group between 25 and 34 have 4 or more.
- In our country, the **average cost of online subscriptions is € 37.04 per month**, with men spending slightly more than women.

Italian consumers were more likely to take out a digital subscription for entertainment (52%) or music (28%). The female sample expressed their preference for services related to fashion, cosmetics and shopping, while the male one for subscriptions to gaming platforms.

Entertainment is the industry with the best services and the greatest attention to the customer according to 37% of respondents.

The **most significant drivers** in signing online subscriptions are the freedom to **cancel them at any time without penalties (32%) and the opportunity to access the required services anytime, anywhere (31%).**

On the subject of **bank subscriptions**, the sample was asked about the services they would appreciate most as part of the subscription plan: 40% indicated a guaranteed cashback of 10% on purchases and 23% indicated car insurance, with prevalence of the male share (27% vs 19%).

**Andrea Isola** concludes: *“Across Europe, banks continue to increase commissions for basic services, sometimes up to 20 euros per month. In light of this trend, consumers are wondering if an on demand model, such as for entertainment, could represent a realistic choice in terms of services. If banks want to stay relevant and meet rapidly changing consumer demands, they need to look at how subscription services have revolutionized other industries, draw inspiration from success stories and follow suit. ”*

With N26, customers can easily keep their subscriptions up to date via the mobile app. The Spaces feature helps users reach their financial goals and make sure they **are not overspending, so that they can divert their savings to what they want most.**

**About N26**

N26 is building the first mobile bank the world loves to use. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the initial product in early 2015. Today N26 has more than 7 million customers in 25 markets. The company employs more than 1.500 employees across 8 office locations: Berlin, Barcelona, Madrid, Milan, Paris, Vienna, New York and São Paulo. With a full European banking license, state-of-the-art technology and no branch network, N26 has redesigned banking for the 21st century and is available on Android, iOS, and desktop. N26 has raised close to EUR 800 million from the world's most established investors, including Insight Venture Partners, GIC, Tencent, Allianz X, Peter Thiel's Valar Ventures, Li Ka-Shing's Horizons Ventures, Earlybird Venture Capital, Greyhound Capital, Battery Ventures, in addition to members of the Zalando management board, and Redalpine Ventures. N26 currently operates in: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the US, where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the US are offered by N26 Inc. in partnership with Axos® Bank, Member FDIC.

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